

Tax Reform Recommendations for the USA

My qualifications to comment on tax reform for the United States of America [USA] include: Ph.D. degree in Accounting, Certified Public Accounting certificate, and 50 years experience teaching accounting at leading universities.

There are three basic ways the USA can secure tax revenues: (1) income taxes, (2) property taxes, and (3) sales taxes. The comments in this paper relate only to income taxes.

The current tax code is a hodgepodge because most politicians include items that help their contributors reduce their income tax obligations. The interpretations of the current tax code by the Internal Revenue Service [IRS] make the current tax code confusing and convoluting.

Congress should create a tax code that is effective and efficient. It should be simple enough for an average high school graduate to prepare his or her own income tax return. It should not include any social items. This would require the removal of all deductions, exemptions, and special opportunities for taxpayers. It should have a zero tax rate for those citizens who are at the poverty level, and progressive tax rates based upon the levels of income above the poverty level.

The tax code recommended would be simple to prepare and simpler to audit. Therefore, there could be a significant reduction in the number of IRS employees. Thus, there could be a significant tax savings for the USA.

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